Province of
Newfoundland and Labrador

Public Accounts Volume II
Consolidated Revenue Fund
Financial Statements

FOR THE YEAR ENDED
MARCH 31, 2010

Newfoundland
Labrador

Province of Newfoundland and Labrador

Public Accounts

Volume II

Consolidated Revenue Fund
Financial Statements

For The Year Ended
31 March 2010

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INTRODUCTION

The *Financial Administration Act* requires that all revenues over which the Legislature has power of appropriation shall form one Consolidated Revenue Fund. The financial statements of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador are presented through the publication of the Public Accounts, Volume II.

These statements are prepared on the accrual basis of accounting in accordance with the Public Sector Accounting Standards of the Canadian Institute of Chartered Accountants, and as outlined in the significant accounting policies of the Province. They are prepared by the Comptroller General of Finance and are audited by the Auditor General, who presents an annual report to the House of Assembly on the results of his audit. Budget figures, where available, are provided on several Statements for comparison purposes.

The Public Accounts for the year ended 31 March 2010 also includes one other volume, Volume I - Consolidated Summary Financial Statements. It presents the summary financial statements which consolidate the financial statements of the Consolidated Revenue Fund with the financial statements of various Crown Corporations, Boards and Authorities, as approved by Treasury Board, which are controlled by the Government of Newfoundland and Labrador.

The Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for 2009-10 was released in August 2010 and presents expenditures and revenues using the modified cash basis of accounting. This is the same basis used to prepare the budgeted appropriations and revenues as per the Estimates. Another report containing a reproduction of the available financial statements of the Crown Corporations, Boards and Authorities was released as a separate report in November 2010. These reports are available online at the address noted below.

The Public Accounts of the Province are tabled in the House of Assembly in accordance with Section 60 of the *Financial Administration Act*.

Internet Address

The Public Accounts are available on the Internet at:
http://www.fin.gov.nl.ca/fin/public_accounts/index.html

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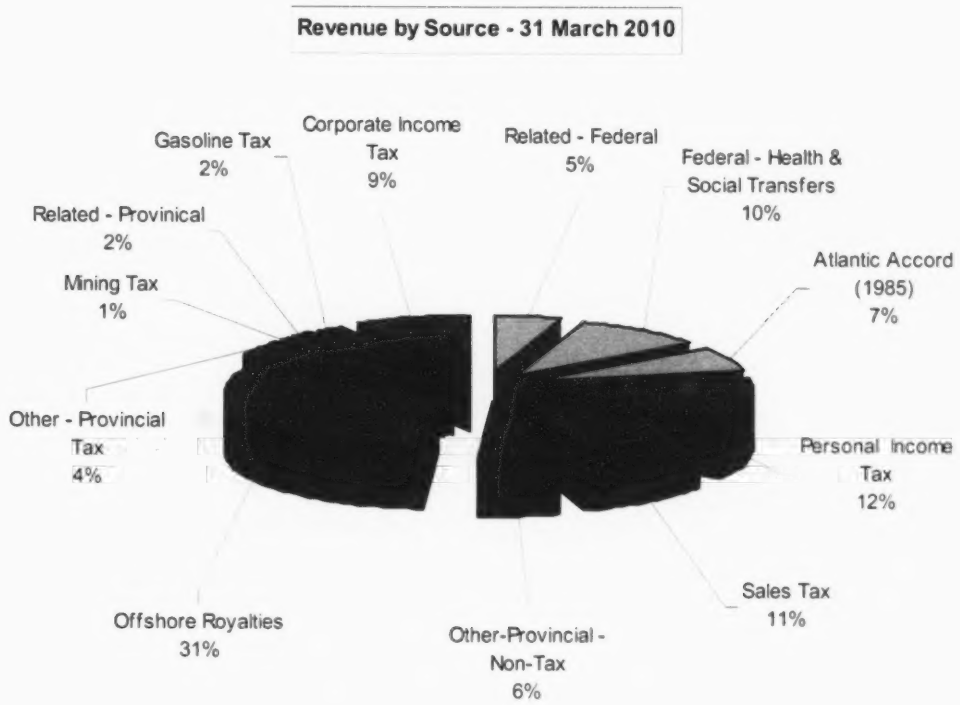
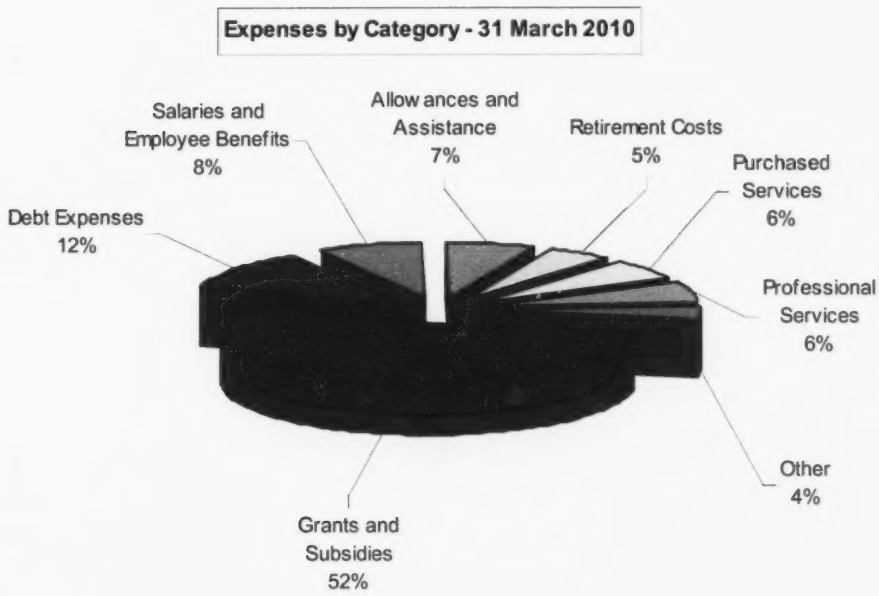
Revenue

Total revenue was $6.76 billion in 2009-10 which consisted of federal revenues of $1.45 billion and provincial revenues of $5.31 billion.


Revenue by Source - 31 March 2010
Gasoline Tax 2%
Corporate Income Tax 9%
Related - Federal 5%
Federal - Health & Social Transfers 10%
Related - Provinical 2%
Atlantic Accord (1985) 7%
Mining Tax 1%
Other - Provincial Tax 4%
Personal Income Tax 12%
Sales Tax 11%
Offshore Royalties 31%
Other-Provincial - Non-Tax 6%

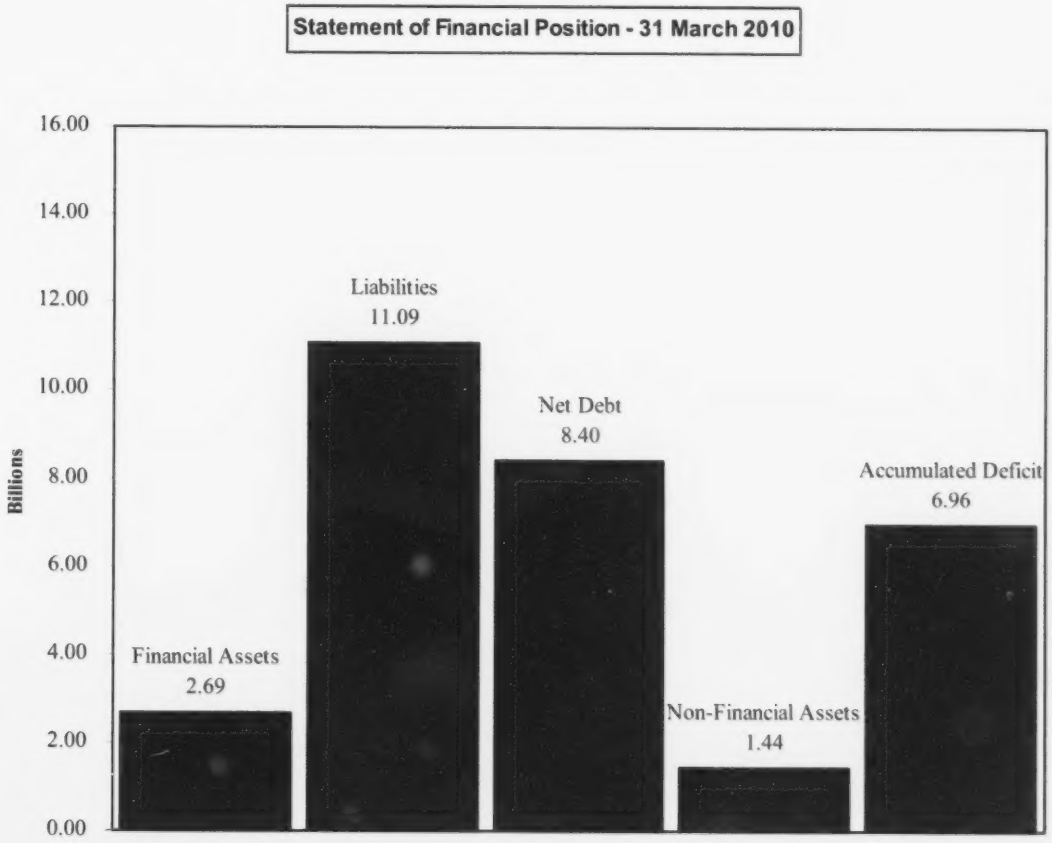
Expense

Total expenses were $6.84 billion in 2009-10. Grants and subsidies of $3.58 billion and debt expenses of $0.82 billion represented approximately 64% of this amount.



Financial Position

Net Debt of $8.40 billion consisted of $11.09 billion in liabilities less $2.69 billion in financial assets. Accumulated Deficit of $6.96 billion consisted of $8.40 billion in Net Debt less $1.44 billion in non-financial assets.



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Newfoundland Labrador

Government of Newfoundland and Labrador
Department of Finance

10 December 2010

STATEMENT OF RESPONSIBILITY

Responsibility for the integrity, objectivity and fair presentation of the summary financial statements of the Consolidated Revenue Fund rests with the Government. As required under Section 59 of the *Financial Administration Act*, these summary financial statements are prepared by the Comptroller General of Finance in accordance with the applicable legislation and in accordance with the accounting policies as disclosed in Note 1 to these summary financial statements. Additionally, information has been provided by various government departments as required by Section 20 of the *Financial Administration Act*.

The Government is responsible for maintaining a system of internal accounting and administrative controls in order to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained.

The summary financial statements in this volume include a Statement of Financial Position, a Statement of Change in Net Debt, a Statement of Operations, a Statement of Change in Accumulated Deficit, a Statement of Cash Flows and notes. Other schedules and notes that are included also form an integral part of these statements.

Pursuant to Section 11 of the *Auditor General Act*, the Auditor General of Newfoundland and Labrador provides an independent opinion on the summary financial statements.

THOMAS W. MARSHALL, Q.C.
Minister of Finance and President
of Treasury Board

RONALD A. WILLIAMS, CA
Comptroller General of Finance

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OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the House of Assembly
Province of Newfoundland and Labrador

In accordance with Section 11 of the *Auditor General Act*, I have audited the statement of financial position of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador as at 31 March 2010 and the statements of change in net debt, operations, change in accumulated deficit, and cash flows for the year then ended. These financial statements are the responsibility of Government and have been prepared as outlined in Section 59 of the *Financial Administration Act*. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Government, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Consolidated Revenue Fund as at 31 March 2010 and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with the accounting policies disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

These financial statements have been prepared solely to present the activities of the Consolidated Revenue Fund for the year ended 31 March 2010. However, significant financial activities of the Province occur outside of the Consolidated Revenue Fund. These activities, together with those of the Consolidated Revenue Fund, are included in the consolidated summary financial statements of the Province and it is for this reason that those financial statements provide a more comprehensive accounting of the Province's financial position and the results of its operations, the change in its net debt and its cash flows. A separate Auditor's Report is provided on the consolidated summary financial statements.

JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
10 December 2010

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PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position
As at 31 March 2010
with comparative figures for 2009

		Actuals 2010 ($000)	Actuals 2009 ($000)
	FINANCIAL ASSETS		
	Cash and temporary investments at cost - notes 2, 16	1,404,898	1,850,487
	Government of Canada - claims in process - note 3	112,193	126,061
Sch. A	Accounts and taxes receivable	781,880	648,590
	Less: Allowance for doubtful accounts	76,943	78,205
		704,937	570,385
Sch. B	Loans, advances and mortgages receivable	94,652	85,180
	Less: Allowance for doubtful accounts	82,839	77,297
		11,813	7,883
Sch. C	Investments at cost	456,620	413,900
	Less: Allowance for investment writedowns	3,250	3,250
		453,370	410,650
	Total Financial Assets	2,687,211	2,965,466
	LIABILITIES		
Sch. E	Other liabilities	1,508,341	1,733,142
	Deferred revenue - note 4	44,659	84,104
Sch. F	Debenture and other debt	6,381,596	6,939,870
	Less: Sinking fund assets - note 5	856,233	876,521
	Plus: Unamortized unrealized foreign exchange gains (losses) - note 6.	205,556	13,404
		5,730,919	6,076,753
	Group health and life insurance retirement benefits - note 8	1,689,534	1,562,601
	Unfunded pension liability - note 9	2,114,690	1,680,131
	Total Liabilities	11,088,143	11,136,731
	NET DEBT	8,400,932	8,171,265
	NON-FINANCIAL ASSETS		
Sch. D	Tangible capital assets	1,411,342	1,267,474
	Prepaid expenses	6,301	4,937
	Inventories of supplies	21,851	17,697
	Total Non-Financial Assets	1,439,494	1,290,108
	ACCUMULATED DEFICIT	6,961,438	6,881,157

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Change in Net Debt
For the year ended 31 March 2010
with comparative figures for 2009

	Actuals 2010	Original Estimates 2010 (Note 17)	Actuals 2009
	($000)	($000)	($000)
NET DEBT - beginning of period	8,171,265	11,358,844	10,267,646
Surplus (Deficit) for the period	(80,281)	(836,129)	2,203,012
Changes in tangible capital assets			
Acquisition of tangible capital assets	238,433	333,537	189,695
Net book value of tangible capital asset disposals	(346)	-	(859)
Amortization of tangible capital assets	(94,219)	(97,111)	(80,969)
Increase (Decrease) in net book value of tangible capital assets	143,868	236,426	107,867
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	1,364		(972)
Acquisition of inventories of supplies (net of usage)	4,154		(264)
Increase (Decrease) in other non-financial assets	5,518		(1,236)
Increase (Decrease) in net debt	229,667	1,072,555	(2,096,381)
NET DEBT - end of period	8,400,932	12,431,399	8,171,265

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Operations
For the year ended 31 March 2010
with comparative figures for 2009

	Actuals 2010	Original Estimates 2010 (Note 17)	Actuals 2009
	($000)	($000)	($000)
REVENUE			
Provincial			
Tax Revenue			
Sales	703,975	680,799	757,742
Personal income	817,378	786,200	899,984
Gasoline	155,391	154,705	150,092
Corporate income	594,935	616,765	520,009
Mining and mineral rights	84,849	127,598	216,945
Other	282,198	259,206	266,679
Non-Tax Revenue			
Offshore royalties	2,121,311	1,312,600	2,238,563
Investment income	239,796	224,642	230,370
Fees and fines	148,984	140,494	146,959
Related revenue	165,743	147,935	178,803
Government of Canada			
Atlantic Accord (2005)	-	-	1,152,785
Atlantic Accord (1985)	465,288	465,288	556,729
Health and social transfers	686,317	689,166	536,990
Other	1,708	1,697	1,708
Related revenue	295,719	470,499	195,223
Total Revenue	6,763,592	6,077,594	8,049,581
EXPENSE			
Salaries	485,725	493,403	448,145
Employee benefits	30,173	11,972	34,752
Retirement costs	363,214	376,780	201,531
Transportation and communications	48,750	50,506	48,096
Supplies	97,369	97,359	101,864
Professional services	387,220	396,075	367,552
Purchased services	399,045	399,257	294,577
Property, furnishings and equipment	69,605	67,906	79,051
Allowances and assistance	460,523	475,999	372,171
Grants and subsidies	3,578,703	3,589,443	3,137,595
Debt expenses	823,764	856,973	678,180
Amortization (tangible capital assets)	94,219	97,111	80,969
Bad debt expenses	5,563	939	2,086
Total Expense	6,843,873	6,913,723	5,846,569
ANNUAL SURPLUS (DEFICIT) - note 10	(80,281)	(836,129)	2,203,012

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Change in Accumulated Deficit
For the year ended 31 March 2010
with comparative figures for 2009

	Actuals 2010	Original Estimates 2010 (Note 17)	Actuals 2009
	($000)	($000)	($000)
ACCUMULATED DEFICIT - beginning of period	6,881,157		9,084,169
Surplus (Deficit) for the period	(80,281)	(836,129)	2,203,012
ACCUMULATED DEFICIT - end of period	6,961,438		6,881,157

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows
For the year ended 31 March 2010
with comparative figures for 2009

	Actuals 2010 ($000)	Actuals 2009 ($000)
Funds provided from (applied to):		
OPERATIONS		
Annual surplus (deficit)	(80,281)	2,203,012
Add (Deduct) non-cash items:		
Amortization of foreign exchange gains/losses	(997)	(16,420)
Amortization of tangible capital assets	94,219	80,969
April writebacks	(28,931)	139,889
Deferred revenue	(39,445)	(1,170,136)
Other	(330,787)	166,147
Retirement costs	661,490	340,446
Sinking funds	(47,562)	(46,516)
Valuation allowances	4,169	(3,553)
Net cash provided from (applied to) operating transactions	231,875	1,693,838
CAPITAL		
Acquisitions	(238,433)	(189,695)
Disposals	-	219
Net cash provided from (applied to) capital transactions	(238,433)	(189,476)
FINANCING		
Debt retirement	(301,063)	(291,635)
Equalization loan	-	(31,534)
Retirement of pension liabilities	(100,000)	(181)
Sinking fund contributions	(52,653)	(52,653)
Sinking fund proceeds	55,875	-
Special purpose funds/contractors' holdback funds	10,415	932
Treasury bills purchased	1,974,852	1,929,050
Treasury bills redeemed	(1,974,265)	(1,926,076)
Net cash provided from (applied to) financing transactions	(386,839)	(372,097)
INVESTING		
Loan advances and investments	(52,349)	(330,662)
Loan repayments	157	272
Net cash provided from (applied to) investing transactions	(52,192)	(330,390)
Net cash provided (applied)	(445,589)	801,875
Cash and temporary investments - beginning of period	1,850,487	1,048,612
CASH AND TEMPORARY INVESTMENTS - end of period - note 2	1,404,898	1,850,487

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Notes to the Financial Statements
For the year ended 31 March 2010

1. Summary of Significant Accounting Policies

(a) The Reporting Entity

The Reporting Entity includes the accounts and financial activities of the Consolidated Revenue Fund. Pursuant to the *Financial Administration Act* of the Province all public monies are accounted for through the Fund.

(b) Basis of Accounting

(i) *Method*

These financial statements are prepared on the accrual basis of accounting, revenues being recorded when earned and expenses being recorded when liabilities are incurred, with exceptions made in accordance with the applicable significant accounting policies.

(ii) *Revenues*

Revenues from the Government of Canada under the federal-provincial fiscal arrangements, health and social transfers and tax collection agreements are based on regular entitlements received for the current year and adjusted against future years' revenues when known.

Other revenues are recorded on an accrual basis.

(iii) *Expenses*

Expenses are recorded on an accrual basis.

Retirement related costs are determined as the cost of benefits and interest on the liabilities accrued, as well as amortization of experience gains and losses.

(iv) *Assets*

Temporary investments are recorded at cost or market value, whichever is lower.

Government of Canada - claims in process are recorded as a receivable based on claims outstanding at 31 March and relate mainly to cost-shared agreements.

Inventories of supplies are comprised of items which are held for consumption that will be used by the Province in the course of its operations.

Accounts and taxes receivable are recorded for all amounts due for work performed and goods or services supplied. Valuation allowances are provided when collection is considered doubtful.

Loans, advances and mortgages receivable are recorded at cost. Valuation allowances are recorded to reflect assets at the lower of cost or net recoverable value. Loans made by the Province that are expected to be recovered from future appropriations are accounted for as expenses by providing valuation allowances. Interest revenue on loans receivable is recognized when earned and ceases when collection is not reasonably assured.

Investments are recorded at cost and are written down when there is a loss in value that is other than a temporary decline.

Tangible capital assets held by the Province are recorded at cost or estimated cost less accumulated amortization.

Unrealized foreign exchange gains or losses are deferred and amortized on a straight line basis over the remaining term of the debt.

(v) *Liabilities*

Other liabilities are recorded for all amounts due for work performed, goods or services received or for charges incurred in accordance with the terms of a contract.

Deferred revenue represents amounts received but not earned.

Debenture and other debt, except treasury bills, are recorded at face value. Treasury bills are recorded at net proceeds.

The Province records foreign-denominated debt in Canadian dollars translated at the exchange rate on the transaction date which is considered to be the issue date; except for the proceeds of hedged transactions which are recorded at the rate as established by the terms of that hedge. Foreign-denominated sinking fund assets are also recorded in Canadian dollars and transactions are translated at the exchange rate used in recording the related debt. At 31 March, foreign debt and sinking funds are adjusted to reflect the exchange rate in effect on that date.

(vi) *Government Transfers*

Government transfers are recognized by the Province as revenues or expenses in the period during which both the payment is authorized and any eligibility criteria are met.

(vii) *Loan Guarantees*

The Province has guaranteed the repayment of principal and interest on certain debentures and bank loans on behalf of Crown corporations, municipalities, private sector companies and certain individuals. A provision for losses on these guarantees is established when it is determined that a loss is likely.

(c) Generally Accepted Accounting Principles

The accounting policies followed in the preparation of these financial statements have been applied consistent with generally accepted accounting principles for senior governments as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

2. Cash and Temporary Investments

Cash and temporary investments consist of:

	31 March 2010	31 March 2009
	($mil)	($mil)
Cash balance (overdraft)	1,385.9	1,789.4
Temporary investments - note 16	19.0	61.1
Total	1,404.9	1,850.5

As at 31 March 2010, these investments have maturity dates ranging from 31 March 2011 to 31 March 2013 at an interest rate of prime less 1.85% .

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Government of Canada - Claims in Process

Consists of:

	31 March 2010	31 March 2009
	($mil)	($mil)
Claims receivable at 31 March not received in April	85.2	107.5
Receipts in April	27.0	18.6
Total	112.2	126.1

4. Deferred Revenue

Consists of:

	31 March 2010	31 March 2009	Change
	($mil)	($mil)	($mil)
Federal initiatives in support of public transit, clean air and climate change, affordable housing, community development, employment development and police officers	29.2	51.9	(22.7)
Federal government funding for various health care initiatives	15.2	30.7	(15.5)
Other miscellaneous programs	0.3	1.5	(1.2)
Total Deferred Revenue	44.7	84.1	(39.4)

The balance as of 31 March 2010 will be recognized as revenue in the periods in which the revenue recognition criteria have been met.

5. Sinking Fund

The value of the sinking funds as recorded in the Newfoundland and Labrador Government Sinking Fund financial statements is reflected in these financial statements.

The Sinking Fund Assets consist of:

	31 March 2010	31 March 2009
	($mil)	($mil)
Investments at cost	691.9	736.1
Amortization of bond discount	101.0	95.0
Investments at amortized cost	792.9	831.1
Cash and receivables less accounts payable	63.3	45.4
Net Sinking Fund Assets - translated at 31 March	856.2	876.5

The net sinking fund assets balance of $856.2 million Canadian dollars as at 31 March 2010 includes $267.6 million U.S. dollars translated to $271.8 million Canadian dollars in accordance with current practice.

The net sinking fund assets balance of $876.5 million Canadian dollars as at 31 March 2009 includes $245.5 million U.S. dollars translated to $309.6 million Canadian dollars in accordance with current practice.

The Province does not anticipate conversion of the U.S. dollars to Canadian dollars as the U.S. funds will be used to retire U.S. debt.

6. Unamortized Unrealized Foreign Exchange Gains and Losses

Foreign currency debt and sinking funds are translated to Canadian dollars at the exchange rate at 31 March 2010 or the exchange rate at maturity for those debt and sinking funds retired during the fiscal year. See Schedule F - Debenture and Other Debt. Details of the effect of these translations at year end are outlined in the table below.

The net amortization expense is $0.8 million which represents a credit adjustment (31 March 2009 - $13.2 million-credit adjustment). This is included in debt expenses on the Statement of Operations.

	31 March 2010	31 March 2009
	($mil)	($mil)
Foreign exchange gain (loss):		
Debt	205.0	(52.7)
Sinking funds	(52.3)	12.4
Net	152.7	(40.3)
Total accumulated amortization	52.9	53.7
Net unamortized unrealized foreign exchange gains (losses)	205.6	13.4

7. Provision for Guaranteed Debt

The provision for possible losses on guaranteed debt is nil (31 March 2009 - nil) (see note 12(a)).

8. Retirement Benefits - Group Health and Life Insurance

All retired employees of the Government of Newfoundland and Labrador who are receiving a pension from the Public Service Pension Plan, Uniformed Services Pension Plan, Members of the House of Assembly Pension Plan or the Provincial Court Judges' Pension Plan are eligible to participate in the group insurance program sponsored by Government. All retired teachers who are receiving a pension from the Teachers' Pension Plan are eligible for coverage under the group insurance program sponsored by the Newfoundland and Labrador Teachers Association (NLTA) and cost shared by Government. These programs provide both group health and group life benefits to enrolled retirees.

Under Government's program, the Province contributes 50% towards group health and group life premiums for both employees and retirees. Government also contributes 50% towards group health and group life premiums for both teachers and retirees insured under the programs sponsored by the NLTA, subject to the maximum rates under Government's program. As at 31 March 2010, the plans provided benefits to 18,219 retirees.

Actuarial Valuations

The actuarial valuation which was prepared by the Province's actuaries (valuation date of 31 March 2009) was based on a number of assumptions about future events including an interest rate of 5.20%, Consumer Price Index (CPI) of 2.50%, as well as other assumptions such as health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts.

Group Health and Life Insurance Retirement Benefits Liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

Plan	Estimated Accrued Benefit Obligation	Unamortized Experience Losses	Net Liability 2010	Net Liability 2009	Change
	($mil)	($mil)	($mil)	($mil)	($mil)
Group health retirement benefits	1,768.3	(157.4)	1,610.9	1,487.2	123.7
Group life insurance retirement benefits	84.2	(5.6)	78.6	75.4	3.2
	1,852.5	(163.0)	1,689.5	1,562.6	126.9

There are no fund assets associated with these plans.

Group Health and Life Insurance Retirement Benefits Expense

In these statements, group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

Plan	Province's Share of Current Period Costs	Interest Expense on the Liability	Province's Current Period Contributions	Current Period Amortization of Experience Changes	Plan Amendments	Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Group health retirement benefits	49.7	86.9	(28.5)	15.6	-	123.7
Group life insurance retirement benefits	1.5	4.2	(2.9)	0.4	-	3.2
	51.2	91.1	(31.4)	16.0	-	126.9

Interest expense related to the group health and life insurance retirement benefits liability is included with interest as debt expenses in the financial statements. Interest related to group health and life insurance retirement benefits for 31 March 2009 amounted to $76.9 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

9. Retirement Benefits - Pensions

Defined Benefits

The Government of Newfoundland and Labrador guarantees defined benefit pension plans for substantially all of its full time employees, and those of its Agencies, Boards and Commissions and for members of its Legislature. The plans are - the Public Service Pension Plan, Teachers' Pension Plan, Uniformed Services Pension Plan, the Members of the House of Assembly Pension Plan, and the Provincial Court Judges' Pension Plan. Combined, the plans have 37,269 participants as at 31 March 2010.

The Plans provide for pensions based on employees' length of service and highest average earnings. Employees contribute a defined percentage of their salary, and the employer generally matches this amount. As at 31 March 2010, the plans provided benefits to 23,382 pensioners. Inflation protection is not extended to pensioners of the Uniformed Services Pension Plan or the Members of the House of Assembly Pension Plan nor to pensioners of the Teachers' Pension Plan who retired prior to 1 September 1998.

In 1980, the Province of Newfoundland and Labrador Pooled Pension Fund was established by the *Pensions Funding Act*, with the Minister of Finance as Trustee. This Fund administers all financial activity of these five plans, including the collection of all contributions and the payment of pensions and the investment of funds. The Consolidated Revenue Fund guarantees any deficiency in the event assets of a plan are insufficient to meet benefit payments or administration costs.

Contribution and Benefit Formulae

Public Service Pension Plan

Employee contributions are 8.6% of pensionable salary, less a formulated amount representing contributions to the Canada Pension Plan (CPP). A pension benefit is available based on the number of years of pensionable service times 2% of the employee's best five years average salary, reduced by a formulated amount representing CPP pension benefits for each year since 1967.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Teachers' Pension Plan

Employee contributions are 9.35% of pensionable salary. A pension benefit is available based on the number of years of pensionable service prior to 1 January 1991 times 1/45th of the employee's best five years average salary, plus 2% of the employee's best five years average salary times years of pensionable service after that date, reduced by a formulated amount representing CPP pension benefits for each year since 1967. The CPP reduction only applies to pensioners who retired after 31 August 1998.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Uniformed Services Pension Plan

Employee contributions are 9.95% of pensionable salary, less a formulated amount representing contributions to the CPP. A pension benefit is available based on the number of years pensionable service times 2% of the employee's best three years average salary, reduced by a formulated amount representing CPP pension benefits since 1967. Grandfathered members have higher service accrual pensions in recognition of their higher contributions.

Members of the House of Assembly Pension Plan

Member contributions are 9% of pensionable salary, which includes salary as a Minister, if applicable. A pension benefit is available after serving as a Member in, at least, two General Assemblies and for, at least, five years. The benefit formula is based on years of service expressed as a percentage of the average pensionable salary for the best three years. The percentage varies being 5% for each of the first ten years, 4% for each of the next five years and 2.5% for each of the next two years of service as a Member. For members elected for the first time after 1 April 1998, the percentage is 5% for the first ten years and 2.5% for each of the next ten years. For members elected for the first time after 31 December 2009, the percentage is 3.5% for each year of service as a Member. The accrued benefit is reduced by a formulated amount representing CPP pension benefits for each year since 1967. Ministers receive an additional pension amount calculated similarly, based on service and pensionable salary as a Minister.

During 2005-06 the *Members of the House of Assembly Retiring Allowances Act* was enacted to restructure the Members of the House of Assembly Pension Plan into two components based on limits set out in the federal *Income Tax Act*. The first, or Registered component, will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund. The second, or the Supplementary Employee Retirement component, will be administered in the accounts of the Consolidated Revenue Fund.

Provincial Court Judges' Pension Plan

Effective 1 April 2002 (pursuant to the *Provincial Court Judges' Pension Plan Act* enacted 8 June 2004) the Provincial Court Judges' Pension Plan was established with then-existing judges being given the one-time option of transferring from the Public Service Pension Plan. All judges appointed subsequent to 1 April 2002 are required to join this Plan. Employee contributions are 9% of pensionable salary. A pension benefit is available based on the number of years pensionable service times 3.33% of the judge's annual salary. The Registered component of the Plan, administered within the Province of Newfoundland and Labrador Pooled Pension Fund, provides benefits based on limits set out in the federal *Income Tax Act* with the remainder of the benefit provided by the Supplementary component. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund.

Actuarial Valuations

The actuarial valuations which are prepared by the Province's actuaries were based on a number of assumptions about future events, such as interest rates, wage and salary increases, inflation rates and rates of employee turnover, disability and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts. The expected interest and inflation rates follow:

Expected Interest Rates

The expected average interest rate for the Public Service Pension Plan is 7.25%. The expected rate for the Teachers' Pension Plan is 7.25% projected on a long-term basis. The expected rate for the Uniformed Services Pension Plan is 7.25% projected on a long-term basis. The expected rate for the Members of the House of Assembly Pension Plan is 7.25% for the Registered component and 4.25% for the Supplementary Employee Retirement component, projected on a long-term basis. The expected rate for the Provincial Court Judges' Pension Plan is 6.75% for the Registered component and 4.25% for the Supplementary Employee Retirement component, projected on a long-term basis.

Expected Inflation Rates

The expected inflation rate for all pension plans is 2.50%.

The latest actuarial valuations for the Province's pension plans, according to the administrators of those plans, are dated as listed in the following table:

Pension Plan	Valuation Date
Public Service	31 December 2006
Teachers'	31 August 2006
Uniformed Services	31 December 2008
Members of the House of Assembly	31 December 2006
Provincial Court Judges'	31 December 2007

Actuarial extrapolations are provided for accounting purposes by the Province's actuaries based on the above dates, unless otherwise noted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension Liability

Details of the pension liability are outlined in the table below. The estimated accrued benefit obligation and the value of the plan assets reported below have been extrapolated by the Province's actuaries to 31 March 2010. The actual results of future valuations may result in variances from these extrapolations.

Pension Plan	Estimated Accrued Benefit Obligation	Fund Assets	Unamortized Experience Gains (Losses)	Net Unfunded Liability 2010	Net Unfunded Liability 2009	Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Public Service	5,732.0	3,410.7	(991.0)	1,330.3	1,037.8	292.5
Teachers'	3,796.2	2,451.9	(776.7)	567.6	351.3	216.3
Uniformed Services	335.0	158.8	(32.4)	143.8	222.9	(79.1)
Members of the House of Assembly	90.8	11.9	(13.2)	65.7	62.1	3.6
Provincial Court Judges'	11.2	3.1	(0.8)	7.3	6.0	1.3
Total	9,965.2	6,036.4	(1,814.1)	2,114.7	1,680.1	434.6

Pension Fund Assets are valued at the market value at 31 December 2009 and projected to year end.

Special Payments

Commencing in 2001-02, the Province began making annual payments of $7.5 million to the Members of the House of Assembly Pension Plan, however, these payments will only be allowable under the federal *Income Tax Act* to the extent that they fully fund the Registered component of the Plan. There were no special payments made to the Members of the House of Assembly Pension Plan in 2009-10. During 2009-10 the Province made a payment of $100 million to address the unfunded liability of the Uniformed Services Pension Plan.

Pension Expense

In these statements, pension costs have been determined as the cost of benefits accrued during the period. Interest on the unfunded liability has been accrued for the same period.

The change in the unfunded liability for the current period for each plan is comprised of the following amounts:

Pension Plan	Province's Share of Pension Benefits Earned for the Period	Pension Interest Expense on the Unfunded Liability	Province's Current Period Pension Contributions	Current Period Amortization of Experience Changes	Other Adjustments	Unfunded Portion of Current Period Pension Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Public Service	2.4	184.8	(29.0)	134.3	-	292.5
Teachers'	24.3	113.1	(39.6)	118.5	-	216.3
Uniformed Services	2.9	15.0	(103.7)	6.7	-	(79.1)
Members of the House of Assembly	2.0	3.7	(5.9)	3.8	-	3.6
Provincial Court Judges'	1.0	0.4	(0.2)	0.1	-	1.3
Total	32.6	317.0	(178.4)	263.4	-	434.6

Pension interest expense is included with interest as debt expenses in the financial statements. Pension interest expense for 31 March 2009 amounted to $161.8 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active contributors. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

Other Pension Plans

The Government Money Purchase Pension Plan was established for employees whose employment status does not qualify them for participation in another of their employer's pension plans. This plan has approximately 29,601 participants. Employees contribute 5% of their salary to the Plan and the Province generally matches this contribution. Each employee will receive an annuity at retirement, the value of which is determined by their accumulated contributions plus investment earnings. This Plan is administered by the London Life Insurance Company and at 31 March 2010 assets had a market value of $237.0 million (31 March 2009 - $200.1 million).

10. Current and Capital Account

The annual deficit of $80.3 million (31 March 2009 - surplus of $2,203.0 million) is comprised of a surplus on the current account of $224.3 million (31 March 2009 - surplus of $2,479.2 million) and a deficit on the capital account of $304.6 million (31 March 2009 - deficit of $276.2 million). The classification of revenue and expenses between current account items and capital account items follow the classifications as per the Estimates for the purposes of categorizing the annual deficit.

11. Amounts Capitalized

Funds advanced to Crown agencies may be in the form of investments in such agencies or as loans or advances. Payments and receipts related to principal portions of these loans, advances and investments are capitalized on the Statement of Financial Position. Depending upon the relevant legislation and/or particular circumstances under which a Crown agency is established, the profits generated by their operations may be: (a) turned over to the Province and recorded as revenue; (b) used to repay loans and advances made to the agency by the Province; or (c) retained by the agency.

Amounts capitalized for 31 March 2010 amounted to $53.9 million (31 March 2009 - $331.8 million). See Schedule K - Reconciliation of Budgetary Contribution (Requirement) to Accrual.

12. Contingent Liabilities

(a) Guaranteed Debt

Guarantees made by the Province as at 31 March 2010 amounted to $1,619.9 million (31 March 2009 - $1,746.4 million). In addition, the Province guaranteed the interest thereon. See Schedule G - Guaranteed Debt.

(b) Legal Actions

(i) There have been a number of statements of claim alleging negligence on the part of Government employees and agencies in not preventing abuse while these claimants were under Government care.

(ii) A number of claims have been filed against the Province for alleged breaches of contracts and/or tenders as well as for general damages and personal claims pursuant to action initiated by the Province.

(c) Other

(i) *Registrar of the Supreme Court*

The Province of Newfoundland and Labrador guarantees all sums required to discharge the balances of the Registrar of the Supreme Court as administrator, guardian, trustee, etc. (*Judicature Act*). See Schedule I - Trust Accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(ii) *Pensions*

a) Province of Newfoundland and Labrador Pooled Pension Fund

Pursuant to Section 9 of the *Pensions Funding Act*, the Consolidated Revenue Fund is liable for any deficiency in the Province of Newfoundland and Labrador Pooled Pension Fund covered by that Act. See note 9.

b) Memorial University of Newfoundland Pension Fund

Pursuant to Section 6 of the *Memorial University Pensions Act*, if there is insufficient money in the Memorial University of Newfoundland Pension Fund to provide for the payment of applicable expenditures as they fall due, the Consolidated Revenue Fund is liable for payment of an amount to cover the deficiency. As at 31 March 2010, the Memorial University of Newfoundland Pension Plan had an unfunded pension liability for funding purposes of $292.5 million (31 March 2009 - $271.0 million). However, there currently exists sufficient money in the Fund for the payment of expenditures as they fall due.

(iii) *Trust Accounts*

Generally, the Province is contingently liable for any shortage that may occur for certain funds held in trust by the Province. Currently, all obligations held have an offsetting asset. See Schedule I - Trust Accounts.

(iv) *Canadian Saltfish Corporation*

On 17 July 1970, the Province entered into an agreement with the Government of Canada for the marketing of saltfish products by the Canadian Saltfish Corporation (the Corporation), pursuant to the *Saltfish Act*. The Agreement provided that the Province is required to pay to the Government of Canada a proportional share of 50 per cent of the losses of the Corporation. This share is based on the total value of annual sales of cured fish products applicable to each participating province.

On 19 February 1993, the Government of Canada requested that the Province compensate it for losses incurred to 31 March 1992. The amount which the Government of Canada calculated as the Province's share of the losses was $21.6 million.

The Corporation was dissolved with effect from 1 April 1995, so that resolution of the matter will be between the Government of Canada and the Province. However, the Province takes the position that for a number of reasons, including the fact that the Corporation engaged in activities beyond its mandate as determined by the Auditor General of Canada and confirmed by the Department of Justice of Canada, it is not liable for the amount claimed.

(v) *Newfoundland and Labrador Student Loans Program*

Under the loan guarantee component of this Program, the Province has issued guarantees totalling $0.1 million. Under the debt reduction component of the Program, the Province is contingently liable for possible grants totalling $12.2 million, of which $9.8 million has been recorded as a provision for likely amounts payable related to student loans due to the debt reduction component. See Schedule E - Other Liabilities.

(vi) *Environmental Responsibility*

As a result of delivering its stated programs and initiatives, there are a number of sites throughout the Province which are considered potentially contaminated sites. A liability will be accrued in the financial statements when it has been determined that the Province is liable for a site which has become contaminated and where a reasonable estimate of the remediation costs can be made. To date, $21.1 million has been recorded (see Schedule E - Other Liabilities).

Where it is uncertain as to whether an obligation exists for the Province to remediate a contaminated site, then information on any such sites will be disclosed as contingent liabilities.

As at 31 March 2010, while the Province is aware of a number of contaminated sites, the full extent of the remediation costs for these known sites is not readily determinable other than those indicated below. It is the responsibility of the departments to identify any other potentially contaminated sites which are owned by the Province and to collect the information necessary to assess the extent or likelihood of any environmental damage. As contaminated sites are identified, additional environmental liabilities may be recognized or contingent liabilities disclosed due to newly identified sites and/or changes in the assessments of currently known sites.

Former Abitibi-Consolidated Sites

In December 2008, the Province passed legislation entitled *Abitibi-Consolidated Rights and Assets Act* to expropriate certain rights and assets from Abitibi-Consolidated. Abitibi filed for creditor protection, and was granted a stay of creditor proceedings, under the *Companies' Creditor Arrangements Act* ("CCAA") in April 2009. The Province petitioned the CCAA court for a declaration that Abitibi is responsible for full compliance with the *Provincial Environmental Protection Act*, which included clean-up of its former sites. The CCAA court ruled that any claims the Province may have regarding clean-up of the former sites can be compromised and extinguished by the CCAA process, the practical effect of which is that the Province could bear the burden of clean-up of these sites.

In November 2010, the Province was granted leave to appeal this issue to the Supreme Court of Canada. Until the appeal is heard, the Province cannot determine the likelihood of whether it will be ultimately responsible for environmental remediation. While it has been determined that these sites do contain contamination, the exact cost will not be known until Abitibi-Consolidated submits remediation plans, and until the Province completes further environmental assessments, human health risk assessments and risk analysis. A liability for $6.0 million has been recorded for work completed subsequent to year-end to address an immediate health risk at one of the sites.

Former Mining Sites

The Province owns two former mining sites which have estimated costs for remediation that are potentially significant: the former Baie Verte Asbestos Mine (estimated costs of $40.0 million) and the former Consolidated Rambler Mines Copper Mine (estimated costs of $96.0 million). The Province has completed remediation at these sites designed to address immediate human health and safety issues. While additional remediation could be required for all or a portion of these sites if further health and safety issues are identified or if there is demonstrated environmental degradation, no remediation expenditures are planned for the next five years.

13. Contractual Obligations

Contractual obligations to outside organizations in respect of contracts entered into before 31 March 2010 consists of:

	31 March 2010	31 March 2009
	($mil)	($mil)
Capital projects	468.5	303.2
Provincial policing agreement	116.5	175.4
Ferry services	51.2	73.2
Lease payments	32.7	28.0
Other projects	30.3	18.9
Information technology services	24.9	33.9
Telephone services	16.6	-
Forestry management	13.7	12.9
Food services	5.9	6.3
Total	760.3	651.8

These contractual obligations will become liabilities and expenses of the Consolidated Revenue Fund when the terms of the contracts are met. Payments in respect of these contracts and agreements are subject to the voting of supply by the Legislature.

14. Measurement Uncertainty

Measurement uncertainty exists when it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used. Estimates are based on the best information available at the time of preparation of the financial statements and are adjusted annually to reflect new information as it becomes available. Some examples of where measurement uncertainty exists are the accrual of retirement benefits, the allowance for guaranteed debt and the accrual of self-insured workers' compensation benefits.

15. Comparatives

Certain of the 31 March 2009 financial statement figures and related schedules have been restated to be consistent with the 31 March 2010 statement presentation.

16. Cash Requirements

The following summarizes the actual cash requirements, borrowings and utilization of the borrowings in excess of cash requirements for the year ended 31 March 2010. The total borrowing contribution has been adjusted for the modifications to the cash basis of accounting to arrive at the cash requirement. Please refer to the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2010 for further information on the calculation of the Total Borrowing Requirement of $387.9 million noted below.

	31 March 2010
	($mil)
Total Borrowing Contribution (Requirement)	(387.9)
Add (Deduct):	
Treasury bill borrowing repayments	(1,974.3)
Temporary investments 1 April 2009	61.1
Writeback expenditure - 2010	322.7
Writeback expenditure - 2009	(340.2)
Federal trust funds	(42.1)
Writeback revenue - 2010	(30.1)
Writeback revenue - 2009	18.6
Special purpose funds	(1.9)
Contractors holdback funds	12.3
Prior year's expenditure cheques recovered	2.4
Other Adjustments	-
Total Cash Requirements	(2,359.4)
Borrowings:	
Treasury bill borrowings	1,974.9
Increase (Decrease) in cash balance (overdraft)	(403.5)
Total Borrowings	2,378.4
Temporary Investments 31 March 2010	19.0

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Original Estimates

Certain amounts in the 2009-10 Estimates shown for comparative purposes were prepared on the accrual basis.

The primary focus of the accrual budget information presented in the 2009-10 Budget Speech was to adhere to the more general format of the Consolidated Statement of Operations in Volume I. The details of the budgeted revenue and expense items that comprised the annual deficit amount of $836.1 million (consistent with the more detailed format of the non-consolidated Statement of Operations in Volume II) were not disclosed in the 2009-10 Budget Speech but rather were obtained from internal documentation used to calculate the budgeted surplus disclosed in the 2009-10 Budget Speech. In addition, an amount for Net Debt was also obtained from internal documentation.

In arriving at the original estimate figures on the Statement of Operations, implicit costs associated with the acquisition of tangible capital assets, which were eliminated from these items, were estimated based on a reasonable allocation methodology.

18. Additional Notes

In addition to the aforementioned, there are various other notes disclosed in the schedules which follow.

Schedule A

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Accounts and Taxes Receivable
As at 31 March 2010
with comparative figures for 2009

	2010	2009
	($000)	($000)
Accounts Receivable:		
Offshore royalties	431,520	215,154
Crown agencies working capital and unremitted profits	62,315	55,377
Court fines	35,976	34,819
Miscellaneous/other receivables	32,430	16,584
Student loans	31,043	33,132
Social assistance overpayments	28,902	29,117
Reciprocal billings - medical services	5,956	4,472
Atlantic Lottery Corporation Incorporated	2,782	2,352
Rent and other royalties/permits to occupy	2,204	4,896
Workplace, Health, Safety and Compensation Commission	1,679	2,637
Due from municipalities	1,077	1,254
Due from Members of the House of Assembly	826	842
Province of Newfoundland and Labrador Pooled Pension Fund	769	618
Fees and licences	653	780
Accident recovery claims	488	1,865
Medical care plan audit recoveries	407	503
Travel advances	157	173
Accrued interest on temporary investments	24	228
Due from Government of Canada	-	135
Total Accounts Receivable	639,208	404,938
Taxes Receivable:		
Sales tax	72,103	98,658
Mining and mineral rights tax	21,087	72,442
Gasoline tax	13,849	12,983
Tobacco tax	11,630	9,168
Health and post secondary education tax	9,813	9,154
School tax	9,670	9,770
Insurance companies tax	4,061	3,543
Miscellaneous/other taxes	459	108
Corporate income tax	-	27,825
Forest management tax	-	1
Total Taxes Receivable	142,672	243,652
Total Accounts and Taxes Receivable	781,880	648,590

NOTE

The allowance for doubtful accounts for 31 March 2010 is $76.9 million (31 March 2009 - $78.2 million).

Schedule B

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Loans, Advances and Mortgages Receivable
As at 31 March 2010
with comparative figures for 2009

	2010 ($000)	2009 ($000)
Crown Agencies:		
Business Investment Corporation - note 1	54,357	54,357
C.A. Pippy Park Commission	250	250
Newfoundland and Labrador Film Development Corporation	6,819	6,819
Total Crown Agencies	61,426	61,426
Commercial Loans:		
A. L. Stuckless & Sons Limited	1,217	1,217
Atlantic Fisheries Limited	980	980
Clear Risk Inc	420	210
Cote's Mechanical Limited	200	200
Doyle, James & Sons Ltd.	771	771
Easteel Industries Limited	3,658	3,658
Eastern Ocean Products Limited	163	163
Gavijo Innovations	15	-
George Sexton Limited	50	50
Grandy, Gordon	90	90
Griffiths Guitars International Inc.	171	171
Holson Forest Products Ltd.	5,000	-
Hughes, Vincent	50	50
IC Spa Products Inc.	185	-
Island Seafoods Products Limited	167	188
Keats, Eric	102	102
Koby Seat Inc.	9	8
Mediclink Systems Limited	58	58
Melindy, John	191	191
MyTelescope.com Inc.	315	315
Newfound Harvesting Limited	2,727	2,727
Newman, Raymond	162	162
Northeast Coast Sealers Co-op Society Limited	378	378
Object Oriented Concepts Inc.	325	325
O'Rourke, Rupert	337	337
Other Ocean Group Inc.	948	-
Pittman, Thomas	93	93
Pumphrey, Gerry	537	537
Rolls-Royce Canada Limited	500	-
Saunders, Ralph	61	61
Seacraft Limited	68	38
Seaward, Alphonsus	99	99
Sexton Lumber Ltd.	2,250	-
Short, William	262	262
Superior Waterproof Coatings NF & LB Inc.	154	154

LOANS, ADVANCES AND MORTGAGES RECEIVABLE (continued)

	2010 ($000)	2009 ($000)
Commercial Loans:		
Sweet, Roy	49	49
Terra Nova Marine Co. Ltd.	400	400
Terra Nova Shoes ULC	8,000	8,000
Virtual Marine Technology	500	-
Vokey's Shipyard Limited	100	100
Whelan, Ormond	853	853
White's Fisheries Limited	50	50
Wilson, Ronald and Curtis, Kevin	298	299
Total Commercial Loans	32,963	23,346
Other Organizations:		
Gros Morne Mortgages	66	65
Municipalities	197	343
Total Other Organizations	263	408
Total Loans, Advances and Mortgages Receivable	94,652	85,180

NOTES

1. Business Investment Corporation

The Province advanced funds to Business Investment Corporation for the purpose of making loans and equity investments to enable it to carry out its mandate. The advances were non-interest bearing and had no fixed terms of repayment or maturity date.

2. Interest Rates and Loan Terms

Interest rates on loans range from non-interest bearing to 14% and are repayable over terms not exceeding twenty-five years.

3. Allowance for Doubtful Accounts

The allowance for doubtful accounts for 31 March 2010 is $82.8 million (31 March 2009 - $77.3 million).

Schedule C

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Investments
As at 31 March 2010
with comparative figures for 2009

Description of Investment	Net Additions	Balance 31 March 2010 No. of Shares	Balance 31 March 2010 Cost	2009 Cost
	($000)		($000)	($000)
Preferred Shares:				
Atlantic Ocean Farms Limited - Class "A", redeemable	-	289,655	290	290
Blue Line Innovations Inc. - Class "B"	-	5,000	500	500
Cold Ocean Salmon Inc. - Class "A"	1,000	7,250	8,250	7,250
Country Ribbon Inc.	-	4,500	4,500	4,500
Gray Aqua Group Ltd. - Class "A"	-	1,000,000	1,000	1,000
Orphan Industries Limited - Class "B"	-	97,000	970	970
Pixecur Technologies Inc. - redeemable	-	4,000	400	400
Total Preferred Shares Investments	1,000		15,910	14,910
Common Shares:				
ACF Equity Atlantic Inc.	-	2,390,000	2,231	2,231
ACZEN Innovations Inc. - Class "A".	135	1,613	161	26
Adfinitum Networks Inc.	120	1,850	185	65
Atlantic Lottery Corporation Inc.	-	1	-	-
Blue Drop Inc. - Class "D"	500	5,000	500	-
Consilient Technologies Corporation - Class "B"	-	568,182	500	500
Dockside Appetizers Ltd.. - Class "B"	-	310	31	31
Dynamic Air Shelters Ltd. - Class "B"	500	5,000	500	-
First Choice Vision Centre Limited - Class "B"	177	4,537	454	277
Hurley Slate Works Company Inc. - Class "B"	-	400	400	400
Inter-Provincial Lottery Corporation	-	1	-	-
iSYS Intelligent Systems Solutions - Class "F"	98	986	98	-
Jackman BrandMarketing Inc. - Class "B"	-	1,250	125	125
Manitoba Telecom Services Inc.	-	126	-	-
Marble Mountain Development Corporation	-	500	-	-
MedicLink Systems Ltd - Class "A"	-	3,517	352	352
Municipal Assessment Agency	-	1	-	-
Nalcor Energy Corporation	-	122,500,018	110,187	110,187
Newfound Genomics Inc.	-	5,000	500	500
Newfoundland and Labrador Film Development Corporation	-	600	-	-
Newfoundland and Labrador Immigrant Investor Fund Ltd	-	3	-	-
Newfoundland Government Fund Limited	-	2	-	-
Newfoundland Hardwoods Limited	-	253	26	26
Newfoundland Ocean Enterprises Limited	-	3	3	3
Newlab Clinical Research Inc. - Class "A"	-	5,000	500	500

INVESTMENTS (continued)

Description of Investment	Net Additions	Balance 31 March 2010 No. of Shares	Balance 31 March 2010 Cost	2009 Cost
	($000)		($000)	($000)
Common Shares:				
Northern Radar Inc. - Class "C"	-	3,749	375	375
Rooms Corporation of Newfoundland and Labrador Inc.	-	500	-	-
SAC Mfg. Inc. - Class "B"	-	500	500	500
Sexton Lumber Co. Ltd.	500	5,000	500	-
Solace Power Inc. - Class "D"	140	1,401	140	-
Trans Ocean Gas Inc	-	18,000	90	90
Virtual Marine Technology Inc. - Class "A"	(450)	-	-	450
Total Common Shares Investments	1,720		118,358	116,638
Non-Share Equity:				
Nalcor Energy Corporation	40,000	-	259,500	219,500
Newfoundland and Labrador Housing Corporation	-	-	62,852	62,852
Total Non-Share Equity Investments	40,000	-	322,352	282,352
Total Investments	42,720		456,620	413,900

NOTE

Allowance for Investment Write-downs

The allowance for investment write-downs for 31 March 2010 is $3.3 million (31 March 2009 - $3.3 million).

Schedule D

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Tangible Capital Assets
As at 31 March 2010
with comparative figures for 2009

Category	Original Cost				Accumulated Amortization			Net Book Value 31 March 2010	Net Book Value 31 March 2009
	Balance 31 March 2009	Additions 2010	Disposals 2010	Balance 31 March 2010	Balance 31 March 2009	Amort. Net of Disposals 2010	Balance 31 March 2010		
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Buildings	930.9	38.1	9.6	959.4	516.2	12.6	528.8	430.6	414.7
Marine vessels & aircraft	99.5	0.1	0.8	98.8	76.6	1.8	78.4	20.4	22.9
Equipment & machinery	138.2	15.9	6.1	148.0	80.8	5.1	85.9	62.1	57.4
Infrastructure	3,865.3	57.9	0.6	3,922.6	3,374.4	52.8	3,427.2	495.4	490.9
Computer software	52.5	1.4	-	53.9	39.8	5.0	44.8	9.1	12.7
Sub-total	5,086.4	113.4	17.1	5,182.7	4,087.8	77.3	4,165.1	1,017.6	998.6
Work in progress				393.7				393.7	268.9
Total				5,576.4				1,411.3	1,267.5

NOTES

1. Tangible Capital Assets

Tangible capital assets are capitalized on the Statement of Financial Position with the cost of the assets amortized over the estimated useful life of the assets. Fully amortized tangible capital assets are recorded at gross cost and accumulated amortization.

2. Work In Progress

Work in progress is considered to be a tangible capital asset, however it is not amortized as it is not yet available for use. Government currently has a number of projects under construction or development with a total for 31 March 2010 of $393.7 million (31 March 2009 - $268.9 million) having been spent on these projects to date. Upon completion, these assets are recorded in the appropriate category in the schedule. The additions of $113.4 million include $34.4 million of work in progress assets that have been capitalized in the year. Net additions to work in progress assets include additions of $159.4 million less disposals of $0.2 million for 2009-10.

3. Amortization Expense

Amortization net of disposals in the amount of $77.3 million as reported in the schedule consists of amortization expense of $94.2 million less accumulated amortization on assets disposed of in the year in the amount of $16.9 million.

Amortization net of disposals as at 31 March 2009 was $66.6 million which consisted of amortization expense of $81.0 million less accumulated amortization on assets disposed of in the year in the amount of $14.4 million.

TANGIBLE CAPITAL ASSETS (continued)

4. Estimated Useful Life

The historic cost of the assets is estimated in many cases, and amortization is calculated on a straight line basis over the following useful lives:

Asset	Estimated Useful Life
Buildings	40 years
Marine vessels & aircraft	
Marine vessels	20 years
Aircrafts	20 years
Equipment & machinery	
Heavy machinery and equipment	20 years
Snow removal machinery and equipment	10 years
Office/other machinery and equipment	10 years
Vehicles	5 years
Computer hardware	4 years
Infrastructure	
Roads	20 years
Airstrips	20 years
Marine facility infrastructure	20 years
Other infrastructure assets	20 years
Land	indefinite
Bridges	40 years
Computer software	7 years

5. Historical or Cultural Assets

In accordance with current accounting standards, certain assets which have historical or cultural value belonging to the Province are not included in this schedule. Such assets consist of paintings, sculptures, historical documents, and historical and cultural artifacts.

6. Intangible and Inherited Assets

Intangible assets and items inherited by right of the Crown, such as Crown lands, forest, and mineral resources, are not recognized as tangible capital assets in accordance with current accounting standards.

7. Leased Assets

The gross amount of leased tangible capital assets is $36.3 million (31 March 2009 - $36.3 million), amortization expense is $1.0 million (31 March 2009 - $1.0 million) and accumulated amortization is $19.4 million (31 March 2009 - $18.4 million). These are included in the appropriate category in the schedule.

8. Expropriated Assets

In December 2008, the Province passed legislation entitled *Abitibi-Consolidated Rights and Assets Act* to expropriate certain rights and assets from Abitibi-Consolidated. The intent of this Act was to return to the Province rights relating to timber and water use, as well as assets and land associated with the generation of electricity enabled by the water use rights. As a result of the expropriation, the Province also assumed responsibility of other assets associated with the pulp and paper mill. While the Province has licensed Nalcor Energy to manage and operate the hydro electricity generating assets on behalf of the Province, no decision has been made on whether the assets will continue to be held by the Province, or transferred to Nalcor Energy or other parties. Nalcor Energy is operating these electricity generating assets on a cost recovery basis and the power purchase agreements that previously applied to these facilities have been cancelled through legislation. As the value of the non-electricity generating assets expropriated, and their ultimate future use have not been determined, they have been recorded as tangible capital assets at a nominal amount.

Schedule E

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Other Liabilities
As at 31 March 2010
with comparative figures for 2009

	2010	2009
	($000)	($000)
Due to Government of Canada - note 1	384,806	535,150
Accounts payable write-backs	322,730	340,175
Due to municipalities	204,494	239,319
Accrued interest	157,084	174,946
Salaries and benefits	155,255	177,417
Physician services	47,395	33,236
Offshore royalties	46,606	82,283
Self-insured workers' compensation benefits - note 2	31,841	31,630
Capital leases - note 3	29,346	30,133
Taxes payable	27,694	9,738
Contractors' holdbacks	25,296	13,004
Accounts payable - other	24,129	23,252
Environmental liabilities	21,101	7,853
Provision for student loan debt reduction	9,833	10,898
Special purpose funds - note 4	8,925	10,802
Reciprocal billing - hospital services payable	5,765	5,465
St. Clare's Hospital - purchase	3,750	4,500
Due to Crown Agencies	2,291	3,341
	1,508,341	1,733,142

NOTES

1. Due to Government of Canada

The total due to the Government of Canada is $384.8 million. This amount is comprised of $271.2 million for an Equalization loan, $90.5 million for Equalization overpayments and $23.1 million for Health and Social transfer overpayments.

2. Self-Insured Workers' Compensation Benefits

The amount of $31.8 million relates to the self-insured workers' compensation benefits liability as at 31 March 2010 (31 March 2009 - $31.6 million). During the 2007-08 fiscal year, an actuarial valuation as of 31 December 2007, with disclosures as at 31 March 2010, was obtained for the Province's self-insured workers' compensation benefits.

3. Capital Leases

Interest rates for all capital leases range from 7.00% to 11.50% and have repayment schedules ranging in duration from less than a year to 13 years.

4. Special Purpose Funds

Included in this schedule are funds totalling $8.9 million (31 March 2009 - $10.8 million) considered to be special purpose funds whereby payments are made specifically for these purposes. Pursuant to Section 22(a) of the *Financial Administration Act*, appropriations are not required for these payments.

Schedule F

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Debenture and Other Debt
As at 31 March 2010
with comparative figures for 2009

Series	Date of Issue	Date of Maturity	Interest Rate %	Amount in Foreign Currency	Sinking Fund Balance	Amount Issued or Outstanding 2010	Amount Issued or Outstanding 2009	Notes
				($000)	($000)	($000)	($000)	
General Debentures:								
6J	03 Nov. 1999	03 Nov. 2009	6.70		-	-	200,000	1(a)
5R	25 Feb. 1987	25 Feb. 2010	9.38		-	-	55,875	1(a)
EC7	19 Feb. 2003	29 Dec. 2010	5.13		-	200,000	200,000	1(b)
6L	25 Jul. 2001	25 Jul. 2011	6.40		-	200,000	200,000	1(a)
5U	15 Feb. 1989	15 Feb. 2012	11.00		124,547	125,000	125,000	1(a)
EC6	12 May 1993	12 May 2013	5.65		49,671	81,734	81,734	1(b)
6S	04 Jun. 2004	04 Jun. 2014	5.25		-	300,000	300,000	1(a)
5V	22 Nov. 1989	22 Nov. 2014	10.13		102,574	150,000	150,000	1(a)
AG	01 Jun. 1989	01 Jun. 2019	9.00	(150,000 U.S.)	102,975	152,370	189,195	1(a)
AH	01 Jun. 1990	01 Jun. 2020	9.88	(150,000 U.S.)	30,561	152,370	189,195	1(a)
AJ	29 Nov. 1990	01 Dec. 2020	10.00	(150,000 U.S.)	29,249	152,370	189,195	1(a)
5X	15 Apr. 1991	15 Apr. 2021	10.95		-	147,892	147,892	1(a)
AK	17 Oct. 1991	15 Oct. 2021	9.00	(200,000 U.S.)	35,074	203,160	252,260	1(a)
AM	22 Oct. 1992	22 Oct. 2022	8.65	(200,000 U.S.)	31,401	203,160	252,260	1(a)
AN	13 Oct. 1993	13 Oct. 2023	7.32	(200,000 U.S.)	42,528	203,160	252,260	1(a)
6B	07 Jul. 1995	07 Jul. 2025	9.15		17,819	100,000	100,000	1(a)
6C	05 Feb. 1996	05 Feb. 2026	8.45		25,562	150,000	150,000	1(a)
6F	17 Apr. 1998	17 Apr. 2028	6.15		74,505	450,000	450,000	1(a)
6H	27 Jul. 1999	17 Oct. 2029	6.50		31,373	200,000	200,000	1(a)
6K	30 Jun. 2000	17 Oct. 2030	6.55		61,011	450,000	450,000	1(a)
6R	12 Jun. 2003	17 Oct. 2033	5.60		26,829	300,000	300,000	1(a)
6T	21 Sep. 2004	17 Oct. 2035	5.70		21,626	300,000	300,000	1(a)
6U	28 Nov. 2006	17 Apr. 2037	4.50		17,555	350,000	350,000	1(a)
6V	15 May 2007	17 Oct. 2040	4.65		20,552	650,000	650,000	1(a)
6Q	16 Aug. 2002	17 Oct. 2042	6.24		10,821	250,000	250,000	1(a)
Total: General Debentures					856,233	5,471,216	5,984,866	
Other:								
Treasury bill borrowings					-	493,744	493,158	1(c)
Total: Other					-	493,744	493,158	

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance	Amount Issued or Outstanding 2010	Amount Issued or Outstanding 2009
				($000)	($000)	($000)
Government of Canada and Agencies:						
Canada Pension Plan Investment Fund						
Debentures - note 1(d)						
3A-268 to 3A-277	03 Apr. 1989 to 01 Mar. 1990	03 Apr. 2009 to 01 Mar. 2010	9.15 to 10.31	-	-	45,188
3A-278 to 3A-284	02 Apr. 1990 to 03 Dec. 1990	02 Apr. 2010 to 03 Dec. 2010	10.36 to 11.33	-	40,432	40,432
3A-285 to 3A-288	02 Apr. 1991 to 02 Jul. 1991	02 Apr. 2011 to 02 Jul. 2011	9.81 to 10.04	-	40,858	40,858
3A-289 to 3A-291	01 May 1992 to 02 Jul. 1992	01 May 2012 to 02 Jul. 2012	9.17 to 9.45	-	28,770	28,770
3A-292	01 Mar. 1999	01 Mar. 2019	5.97	-	1,827	1,827
3A-293 to 3A-303	02 Apr. 1999 to 03 Mar. 2000	02 Apr. 2019 to 03 Mar. 2020	5.89 to 7.02	-	35,282	35,282
3A-304 to 3A-314	01 Apr. 2000 to 02 Mar. 2001	01 Apr. 2020 to 02 Mar. 2021	6.41 to 6.90	-	42,645	42,645
3A-315 to 3A-326	01 Apr. 2001 to 01 Mar. 2002	01 Apr. 2021 to 01 Mar. 2022	6.38 to 6.85	-	52,376	52,376
3A-327 to 3A-337	01 Apr. 2002 to 01 Mar. 2003	01 Apr. 2022 to 01 Mar. 2023	5.88 to 6.61	-	52,104	52,104
3A-338 to 3A-347	05 Apr. 2003 to 01 Mar. 2004	05 Apr. 2023 to 01 Mar. 2024	5.41 to 6.15	-	50,738	50,738
3A-348 to 3A-356	02 Apr. 2004 to 02 Jan. 2005	02 Apr. 2024 to 02 Jan. 2025	5.36 to 5.92	-	47,146	47,146
3A-357 to 3A-359	01 Apr. 2005 to 03 Jun. 2005	01 Apr. 2025 to 03 Jun. 2025	4.91 to 5.34	-	23,987	23,987
Total: Canada Pension Plan Investment Fund Debentures				-	416,165	461,353

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance	Amount Issued or Outstanding 2010	2009
				($000)	($000)	($000)
Harbour Lodge - see note 1(e)				-	471	493
Total: Government of Canada and Agencies				-	416,636	461,846
Total: Debenture and Other Debt				856,233	6,381,596	6,939,870
Current portion of Debenture and Other Debt					734,198	794,241
Long-term portion of Debenture and Other Debt					5,647,398	6,145,629
					6,381,596	6,939,870

NOTES

1. Details of Debt Issues

a) Non-callable.

b) Non-callable by the Province, except upon changes in tax status and/or law, then as a whole at par.

c) This amount represents the net proceeds from the sale of $494 million discounted treasury bills with maturity dates ranging from 1 April 2010 to 24 June 2010 and interest rates ranging from 0.18% to 0.27%.

d) Callable at par at the option of the Minister of Finance of Canada upon six months' prior written notice, subject to the requirements of the Canada Pension Plan. Commencing March 1999, the Province has an option, pursuant to amendments of the Canada Pension Plan enacted by the *Canada Pension Plan Investment Board Act*, to refinance for a final twenty year term maturing Canada Pension Plan borrowings, provided sufficient monies are available in the Canada Pension Plan Investment Fund. The Province has exercised an option to refinance its maturing Canada Pension Plan debt and to date has rolled over, for a further 20 year term, all funds made available by the Canada Pension Plan Investment Fund from March 1999 to June 2005. Commencing July 2005, Canada Pension Plan borrowings have not been rolled over and have been allowed to mature.

e) This is a loan from the Canada Mortgage and Housing Corporation for the acquisition and construction of the Harbour Lodge. This loan is repayable over a 50 year period in blended annual installments of principal and interest, at an interest rate of 7.875%, maturing 1 December 2021.

2. Sinking Fund Balance

See note 5 of the Notes to the Financial Statements.

DEBENTURE AND OTHER DEBT (continued)

3. Borrowings

Borrowings and unamortized foreign exchange losses, by major currency, and sinking funds as at 31 March 2010 are as follows:

Major Currencies	Foreign Borrowings	Exchange Rate	Canadian	Unamortized Foreign Exchange Gains/(Losses)	Net
	($000)		($000)	($000)	($000)
U.S.	1,050,000	1.0158	1,066,590	261,306	1,327,896
Canadian			5,315,006	-	5,315,006
		Sub-total	6,381,596	261,306	6,642,902
	Foreign sinking funds		(271,788)	(55,750)	(327,538)
	Canadian sinking funds		(584,445)	-	(584,445)
		Total	5,525,363	205,556	5,730,919

4. Contributions and Repayment Requirements

Sinking fund contributions and debt repayments which are not funded by a sinking fund, by major currency, in Canadian dollars are as follows:

	U.S.	Canadian	Total
	($000)	($000)	($000)
2010-2011	7,365	281,754	289,119
2011-2012	7,365	282,180	289,545
2012-2013	7,365	107,932	115,297
2013-2014	7,365	77,528	84,893
2014-2015	7,365	375,278	382,643
2015-2043	35,299	1,312,352	1,347,651
	72,124	2,437,024	2,509,148

The foreign exchange gain which has been realized on the Statement of Operations is $0.8 million.

5. Sensitivity Analysis

An increase/decrease of one cent in the foreign exchange rates at 31 March 2010 would result in an increase/decrease in foreign borrowings of $10.5 million (31 March 2009 - $10.5 million).

6. Related Sinking Fund Investments

At year end, the Province held $573.0 million worth of its own debentures (face value) in sinking funds as active investments (31 March 2009 - $606.3 million) which are reflected in the sinking fund balances disclosed in note 3 above. These were comprised of $448.0 million in Canadian investments and $125.0 million in US investments.

DEBENTURE AND OTHER DEBT (continued)

7. Debt-Related Risk

The practice of borrowing in both domestic and foreign currencies may potentially give rise to a number of risks including interest rate, credit, foreign exchange and liquidity risk. Interest rate risk is the risk that debt servicing costs will increase due to changes in interest rates while credit risk is the risk that a loss may occur from the failure of another party to meet its obligations under a derivative financial instrument contract. As well, foreign exchange risk is the risk that debt servicing costs will increase due to a decline in the value of the Canadian dollar relative to other currencies while liquidity risk is the risk that financial commitments will not be met over the short-term.

The Province attempts to manage its exposure to these risks and minimize volatility in its debt expenses by following a conservative debt and risk management strategy. The Province's debt portfolio is structured such that virtually all of its debt is long-term with fixed interest rates and fixed repayment terms. When appropriate and the option is available, debt with high interest rates has been called and refinanced with new lower interest rate debt. Otherwise, debt is generally held until maturity. Hence, the Province's exposure to interest rate and credit risk is minimal as a result of its conservative debt management strategy.

While the majority of the Province's debt is domestic in nature, there are a number of US dollar denominated debt issues. All of these are long-term issues and the Province has established sinking funds, also in US dollars, to provide repayment of the debt at maturity. For debt servicing purposes, short-term forward contracts are occasionally entered into when favorable exchange rates are available to minimize exposure to foreign exchange risk.

The Province's exposure to liquidity risk is managed by distributing debt maturities over several years, maintaining sinking funds for the repayment of certain long-term debt issues and holding adequate cash reserves or short-term borrowings as contingent sources of liquidity.

Schedule G

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Guaranteed Debt
As at 31 March 2010
with comparative figures for 2009

	Limit of Guarantee	Contingent Liability 2010	Contingent Liability 2009
	($000)	($000)	($000)
Guaranteed Debentures:			
Municipalities:			
(For debentures issued to The Municipal Development and Loan Board and The Canada Mortgage and Housing Corporation)			
Glenwood	72	72	69
Grand Falls - Windsor	12	12	14
Harbour Breton	171	171	164
Harbour Grace	128	128	124
La Scie	17	17	19
Placentia	70	70	69
Wabana	18	18	17
	488	488	476
Crown Corporations:			
Eastern Regional Integrated Health Authority - note 2	123,272	123,272	124,557
Newfoundland and Labrador Hydro Electric Corporation - note 2	1,000,275	1,000,275	1,147,095
Newfoundland and Labrador Municipal Financing Corporation - note 2	99,566	99,566	120,317
	1,223,113	1,223,113	1,391,969
Guaranteed Bank Loans:			
Crown Corporations:			
Labrador-Grenfell Regional Integrated Health Authority	5,000	-	-
Marble Mountain Development Corporation	2,100	1,614	1,575
	7,100	1,614	1,575
Fisheries: - note 3			
11072 Newfoundland Limited.	141	141	158
A & E Fisheries Limited	1,119	1,119	1,199
AAG Enterprises Inc.	143	143	163
Alcon Enterprises	200	200	267
Andrew Daley Limited	200	200	250
Ashco Fishing Limited	487	487	553
Ashley's Pride Enterprises Limited	396	396	442
Atlantic Blue Fin Limited	750	750	790
B D & T Enterprises & William F. Ralph	24	24	56
B & R Genge Company Limited	557	557	604
Barrett, Donald	22	22	43
BNB Morey Fisheries Limited	445	445	495
Butler, Harold	150	150	175
C & L Harvesting Limited	101	101	1,080
Campbell Fisheries Limited	288	288	324
CJ Fisheries	445	445	-

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2010	2009
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Collins Fisheries Limited	170	170	227
Daley, Gary	360	360	186
DOBCO Enterprises Limited	180	180	216
Drover's Sea Harvesting Limited	1,012	1,012	1,090
Dwight Russell Enterprises Limited	900	900	-
E & E Fisheries Limited	430	430	1,014
Emberley, Randy	22	22	45
F & G Fisheries Limited	261	261	285
F.I.C. Enterprises Limited	316	316	329
Feltham, Alexander	87	87	109
Fennelly, Thomas	-	-	9
Fennell, Thomas and Jeanette	111	111	126
G & D Fisheries Limited	621	621	690
G W R Fisheries Limited	486	486	542
Gallant, Guy	133	133	160
Genge, Emanuel Jr.	513	513	533
Genge, Jarvis.	652	652	-
Genge, Montrose	128	128	170
Genge, Theodore	845	845	-
Gould, Clifford - et al	19	19	37
Greenham, David J. and Billy F.	1,258	1,258	1,283
Greenspond Fisheries Limited	182	182	213
Hailey Bear Enterprises Limited	525	525	642
Hart, Lloyd	103	103	154
Harvester Enterprises Limited	215	215	242
Hickey, John Sr. - et al	260	260	325
Hicks Fisheries Limited & Hicks, Randy and Ross	110	110	110
Hicks Fisheries Limited & Randy Hicks	229	229	258
High Tide Enterprises Limited	292	292	340
High Wave Fisheries Limited	276	276	307
Hutchings, Frank	-	-	110
Hyde, Gary and Karen	39	39	58
JBCE Fisheries Limited	208	208	260
J.T. Fisheries Limited	189	189	76
Jones, Richard	276	276	208
Kane, Charles M	55	55	61
LJC Fisheries Ltd.	426	426	205
Lavers, Boyd George	823	823	927
Lavers, Dion	42	42	49
Lewis, Patrick	100	100	134
Leyte, Melvin	552	552	631

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2010	2009
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Lormar Enterprises Limited	131	131	150
Lower Coast Fisheries Inc.	95	95	-
Lynch, Levi	99	99	115
Martin, Harold	149	149	171
McCarthy, Dennis	664	621	671
Mike Butland Fisheries Ltd	450	450	-
Morey, Lorne	-	-	54
Morningstar Enterprises Limited	605	605	661
Mouland, James B.	-	-	130
Newfoundland Leader Limited	524	524	683
Newfoundland Mariner Fishing Enterprises Limited	938	938	1,031
Noel Fisheries Limited	103	103	114
Norman, Glenn	271	271	347
Ocean Otter Limited	-	-	468
Ocean Surfer Limited	279	279	279
Pencol Enterprises Limited	601	601	668
Penney's Fisheries Limited	468	468	539
Penney, Boyd - et al	28	28	57
Petten, Neal	148	148	185
Petten, Raymond, Ivan & Sheldon	500	500	-
Piercey's Fishing Enterprises Limited	290	290	322
Plowman, Clayton	-	-	12
Porter, Robert E. and Robert W.	46	46	66
R & C Rose Enterprises Limited	206	206	289
Roberts, Charles and Winslow, Glen	60	60	120
Russell, Wayne	-	-	30
Ryan, Randy and Lisa	109	109	145
Ryan, Randy and Lisa and Sea Surfer Enterprises Ltd.	86	86	-
S & D Fisheries Limited	17	17	58
S & I Fisheries Limited	94	94	126
S & J Fisheries Inc.	358	358	298
Salt Water Foam Company Limited	189	189	216
Shirley Ann D Enterprises Limited	416	416	446
Splendid Fishing Company Limited	98	98	98
Strabcol Enterprise Ltd.	518	518	-
Straits Venture Inc.	413	413	-
Symmonds, Michael - et al	83	83	104
T & C Fisheries Ltd.	360	360	-
TJL Enterprises Limited	314	314	353
The Roberts and Sisters Enterprises Limited	152	152	173
Timton Enterprises Ltd.	540	540	-

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2010	Contingent Liability 2009
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Toope's Enterprises Limited	251	251	281
Trina and Sons Ltd.	308	308	332
Vernon Petten Enterprises Limited	36	36	336
W&R Enterprises Limited	257	257	257
Walsh's Fisheries Limited	135	135	180
Ward, Cecil	268	268	302
Waye's Enterprises Limited	198	198	264
What's Happening Fisheries Limited	526	526	585
Whitewater Fisheries Limited and Garfield Tippett	-	-	97
Wrice, Wallace & Mary	133	133	156
Yankee Point Limited	-	-	56
	31,388	31,345	30,985
Aggregate Limit & Contingent Amount	34,983	34,940	33,216
Corporate:			
Fogo Island Co-operative Society Limited	1,500	-	-
Gray Aqua Group Ltd.	6,080	1,200	-
Newfoundland Symphony Orchestra Association	20	-	-
Smith Seafoods Limited	100	37	23
Stephenville Airport Corporation	350	325	294
Torngat Fish Producers Co-op Society Limited	2,100	1,502	1,377
	10,150	3,064	1,694
Other Bank Loans:			
Consumer Protection Fund for Prepaid Funeral Expenses	200	1	98
	200	1	98
Other Guarantees:			
Crown Corporations:			
Newfoundland and Labrador Immigrant Investor Fund Limited - note 4	204,230	204,230	149,599
Student Loan Corporation of Newfoundland and Labrador - note 5	156,000	156,000	170,000
	360,230	360,230	319,599
	1,632,669	1,619,855	1,746,396

GUARANTEED DEBT (continued)

NOTES

1. Definitions

The headings used in this Schedule are defined as follows:

Limit of Guarantee - This represents the maximum amount of loan advances available under the Province's guarantee plus capitalized interest thereon and past due interest, less down payment and less any receipted Provincial subsidy.

Contingent Liability - This represents the actual amount of loan advances (drawdowns) outstanding under the various guarantees plus capitalized interest thereon and past due interest. This represents the amount that the Province would be liable for if it had to honour these guarantees at year end.

The difference between these two amounts reflects the financing still available under the Province's guarantee.

2. Debenture Issues with Sinking Funds

Corporations for which guarantees are presented net of sinking fund values:

	Principal Amount of Debentures Outstanding	Accrued Interest	Value of Sinking Fund	Contingent Liability
	($000)	($000)	($000)	($000)
Eastern Regional Integrated Health Authority				
- Canadian Funds	130,000	2,605	9,333	123,272
Newfoundland and Labrador Hydro				
- Canadian Funds	1,225,000	17,182	241,907	1,000,275
Newfoundland and Labrador Municipal Financing Corp.				
- Canadian Funds	98,944	622	-	99,566

3. Fisheries Loans

During a vessel's construction period, interim financing is provided through bank loans which are fully guaranteed by the Province. Once construction has been completed, these interim loans are converted to term debt by the banks. With regard to these term loans, the Province's contingent liability under each individual guarantee is determined as being limited to the lesser of the term loan or 20% of the aggregate of all term loans made by the Bank, less the total of all claims paid to the Bank by the Province with respect to these loans.

For the fiscal year ended 31 March 2010, the Province's contingent liability with respect to these guarantees is $31.3 million (31 March 2009 - $31.0 million).

4. Newfoundland and Labrador Immigrant Investor Fund Limited

The Corporation was incorporated on 28 April 2005 under the *Corporations Act* of the Province of Newfoundland and Labrador. The purpose of the Corporation is to administer and invest the Newfoundland and Labrador allocation of funds received from immigrant investors by Citizenship and Immigration Canada under its Business Immigration Program. The Province guarantees repayment of the funds received.

GUARANTEED DEBT (continued)

5. Student Loan Corporation of Newfoundland and Labrador

The Corporation was established on 30 March 2004 under the authority of the *Student Financial Assistance Act* for the purpose of funding and administrating loans to qualifying post-secondary students. On 31 March 2004, the Corporation borrowed $213.0 million, primarily to finance the purchase of the outstanding student loan portfolio from the previous service provider - a Canadian chartered bank. The Corporation has since reduced the principal amount by $57.0 million and during 2006-07 refinanced the balance for a term of five years. The borrowing is unconditionally guaranteed as to principal and interest by the Province.

6. Payments under Guarantee

During the 2009-10 fiscal year there were no payments under guarantee.

7. Valuation Allowance

The provision for guaranteed debt for 31 March 2010 is nil (31 March 2009 - nil).

Schedule H

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Losses, Uncollectible Accounts and Other Amounts Written Off
For the year ended 31 March 2010
with comparative figures for 2009

Department	2010 ($000)	2009 ($000)
Finance:		
Loan forgiveness	-	29,412
Remissions	107	433
Tax forgiveness	3	20
	110	29,865
Justice:		
Uncollectible accounts	722	961
Human Resources, Labour and Employment:		
Overpayment of social assistance	692	1,575
Education:		
Uncollectible accounts	159	361
Environment and Conservation:		
Uncollectible accounts	1	-
Government Services:		
Uncollectible accounts	-	29
Health and Community Services:		
Uncollectible accounts	-	19
Transportation and Works:		
Uncollectible accounts	-	3
Total	1,684	32,813

Schedule I

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Trust Accounts
As at 31 March 2010
with comparative figures for 2009

	2010	2009
	($000)	($000)
Assets		
Registrar of the Supreme Court	33,680	33,631
Teachers' Accrued Salary Trust Account	7,387	6,597
Federal/Provincial Contractors' Security Account	4,068	3,937
Consolidated Tender Account	2,351	1,962
Provincial Courts Trust Account	1,449	1,308
Provincial Nominee Program	703	1,481
Securities Payable	96	73
Rooms Trust Account	94	93
High Sheriff of Newfoundland	91	128
Victims of Mount Cashel	80	80
H.M. Penitentiary	74	92
Contractors' Security Account - Transportation and Works	55	161
Newfoundland and Labrador Youth Centre	33	45
Churchill Falls (Labrador) Corporation Trust	14	-
School for the Deaf	7	10
Bishop's Falls Correctional Centre	7	2
Labrador Correctional Centre	5	3
West Coast Correctional Centre	4	15
Labour Standards Tribunal	4	8
OCEO - 2007 General Election	2	-
Commercial and Corporate Affairs Trust	1	1
Newfoundland and Labrador Correctional Centre for Women	1	-
Unpaid Wages Trust Account	-	2
Total	50,206	49,629

Schedule J

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Revenue and Expense by Sector
For the year ended 31 March 2010

	General Government Sector and Legislative Branch	Resource Sector	Social Sector	Total
	($000)	($000)	($000)	($000)
REVENUE				
Provincial				
Taxation	2,638,377	349	-	2,638,726
Non-tax revenue	361,261	2,136,240	12,590	2,510,091
Related Revenue	105,904	21,250	38,589	165,743
Government of Canada	1,200,281	30,672	218,079	1,449,032
Total Sector Revenue	4,305,823	2,188,511	269,258	6,763,592
EXPENSE				
Salaries	192,943	96,249	196,533	485,725
Employee benefits	27,736	798	1,639	30,173
Retirement costs	363,214	-	-	363,214
Transportation and communications	17,214	16,905	14,631	48,750
Supplies	65,507	10,254	21,608	97,369
Professional services	43,656	17,101	326,463	387,220
Purchased services	197,904	56,904	144,237	399,045
Property, furnishings and equipment	6,632	4,394	58,579	69,605
Allowance and assistance	2,917	16	457,590	460,523
Grants and subsidies	14,632	147,663	3,416,408	3,578,703
Debt expenses	822,503	-	1,261	823,764
Amortization (tangible capital assets)	81,700	3,738	8,781	94,219
Bad debt expense	21	5,542	-	5,563
Total Sector Expense	1,836,579	359,564	4,647,730	6,843,873
SECTOR SURPLUS (DEFICIT)	2,469,244	1,828,947	(4,378,472)	(80,281)

REVENUE AND EXPENSE BY SECTOR (continued)

NOTE

Sectors

The sectors identified above are comprised of a broad array of programs which are delivered through the various departments and are consistent with the presentation of the 2009-10 Estimates. Revenues and expenses have been attributed to individual departments based on where the program is administered. Certain amounts have been allocated on a systematic basis. The sectors include the following departments:

General Government Sector and Legislative Branch
This sector consists of the Departments of Consolidated Fund Services, Executive Council, Finance, Government Services, Labrador and Aboriginal Affairs, Legislature, Public Service Commission and Transportation and Works.

Resource Sector
This sector consists of the Departments of Business, Environment and Conservation, Fisheries and Aquaculture, Innovation, Trade and Rural Development, Natural Resources and Tourism, Culture and Recreation.

Social Sector
This sector consists of the Departments of Child, Youth and Family Services, Education, Health and Community Services, Human Resources, Labour and Employment, Justice, Municipal Affairs and Newfoundland Labrador Housing Corporation.

Schedule K

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Reconciliation of Budgetary Contribution (Requirement) to Accrual
For the year ended 31 March 2010
with comparative figures for 2009

	2010		2009	
	Current	Capital	Current	Capital
	($000)	($000)	($000)	($000)
Budgetary Contribution (Requirement) - note	541,405	(532,471)	2,950,074	(756,626)
Less: Amounts capitalized	-	53,902	-	331,815
	541,405	(478,569)	2,950,074	(424,811)
Surplus (Deficit) - accrual	224,297	(304,578)	2,479,162	(276,150)
Difference	317,108	(173,991)	470,912	(148,661)
The difference is comprised of the following:				
Sinking fund earnings	(50,366)	-	(46,516)	-
Accrued retirement costs - interest	408,030	-	238,593	-
Accrued retirement costs - other	253,460	-	101,853	-
Amortization of foreign exchange gains/losses	(1,973)	-	(17,565)	-
Other debt expenses	(17,884)	(1,537)	(1,871)	(2,230)
Bad debt expenses	21	5,542	1	2,085
Amortization of tangible capital assets	-	94,219	-	80,969
Tangible capital asset acquisitions/adjustments - net	-	(238,087)	-	(188,835)
Inventories of supplies	(4,154)	-	264	-
Accrued revenues and expenses	(270,026)	(34,128)	196,153	(40,650)
Difference	317,108	(173,991)	470,912	(148,661)
		143,117		322,251

NOTE

The Budgetary Contribution (Requirement) for current and capital accounts are per the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2010.